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Facts for NORTHEAST COMMITTEEMEN

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NO. 1

1940 GREETINGS FROM THE DIRECTOR

This is the first issue of the second year of "Facts." In the first number a year ago, we said, "The purpose of this publication is to provide committeemen with the material they need in helping their fellow farmers better understand the AAA program."

The purpose is still the same. Will you cooperate with us in accomplishing it by thinking over any questions that come to you about the farm program -- what its details are, how it is working, its purposes and philosophy, what the economic facts and problems of agriculture are -- and writing us any questions that you would like answered in "Facts" or elsewhere. The statement on "Rates of Payment" in this issue is an answer to a committeeman's question.

This has been the best year yet for the farm program -- a more complete program working better all the time, bigger farmer participation and greater progress toward general understanding and acceptance.

The Northeast has shared in the gains in all these ways, but the biggest advance with us has been in the great increase in the extent to which the elected committeemen -- county and community -- have taken over the responsibility for operating and representing the program. Over much of the region in 1939 the community committeemen did the job of seeing that their neighbor farmers understood the program and had an opportunity to participate in it. This system will be adopted by many of the remaining counties in 1940.

The future of the farm program is likely to be determined more by the way it is administered than by further changes in its character. It will be about as good as you committeemen make it.

A. W. Manchester

HOW RATES OF PAYMENT ARE ESTABLISHED

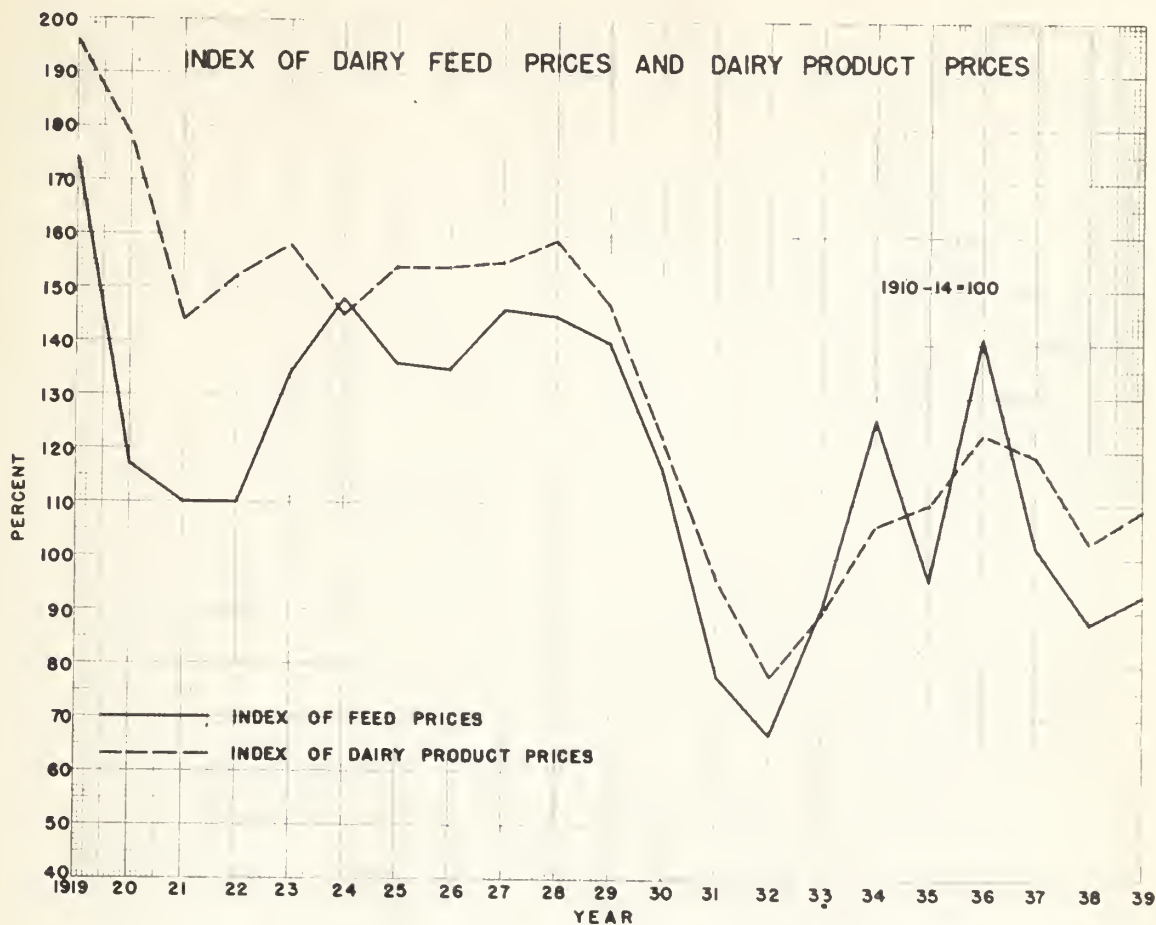
The method of determining the rates of payment under the Agricultural Conservation Program is established by Congress in the Agricultural Adjustment Act of 1938. The Act provides that a portion of the funds be used to find new uses for agricultural products; to study freight rates and for similar purposes; for conservation of range, non-crop open pasture, and naval stores; and to cover administrative expenses. Assuming an appropriation of 500 million dollars, \$48,750,000 would be the maximum authorized for these purposes, leaving \$451,250,000 for payments under the ACP. In addition, the amount set aside for non-crop open pasture is used in making payments for conservation practices under the ACP.

The law directs the distribution of the amount available for the ACP to the individual crops and groups of crops on the basis of the following items: (1) the average acreage of crops planted in the 10-year period 1928-37, (2) the value at parity prices of the normal production of the allotted acreage, (3) the acreage by which the allotment is reduced below the 10-year average acreage, and (4) the value of the normal production at average prices of the acreage under (3) above. Under each of the four items \$112,812,500 is allocated to the crops or groups of crops that are eligible under it. Obviously a crop draws a share of the funds under (3) and (4) only if the program calls for a reduction of acreage below the 10-year average.

To illustrate, potatoes constituted .385 percent of the 1928-37 acreage of all crops and in 1940 receive .385 percent of \$112,812,500 or \$435,000 under item (1). The value at parity of the normal potato production from allotted acreage is 2.587 percent of such value for all crops; the reduction in the allotted acreage from the 1928-37 average for potatoes is .385 percent of all acreage reduced; and the value at average prices of the potatoes to have been expected from the acreage sacrificed is 2.056 percent of the total sacrifice for all allotment crops. Therefore, the share distributed to potatoes on the basis of the four items is (1) \$435,000, (2) \$2,919,000, (3) \$435,000, and (4) \$2,320,000, or a total of \$6,109,000. From this amount \$679,000 is set aside for small payment increases. The remainder, or \$5,430,000 is divided by the estimated production of potatoes on the allotted acreage included under the program (181 million bushels), giving an average payment just under three cents per bushel. Rates of payment for other crops or groups of crops are calculated in a similar manner.

COUNTY COMMITTEEMEN ON NATIONAL RADIO PROGRAMS

"Today's Soil for Today and Tomorrow" is the title of a series of radio programs which, for 15 weeks, will be a part of the National Farm and Home Hour presented each Tuesday at 12:30 p.m. The series will be opened by Administrator Evans on January 16. In the following weeks, members of county committees from widely separated States, including two in the Northeast, will discuss soil-building practices being carried on in their counties.



The chart above records the ups and downs of two sets of prices over the past 20 years. The solid line shows the prices that farmers pay for the feed that they buy; the broken line shows the prices received by farmers for their milk in all its uses. The chart shows how closely the two go up and down together.

A commonly held fallacy has been that cheap feed is good for northeastern farmers who buy substantial quantities of feed. As the chart points out, however, cheap feed and cheap milk have tended to go together. The chart points out why a great many well informed and thoughtful dairymen are convinced that feed prices stabilized at reasonable levels are essential to prosperous dairy farming.

FARM PROGRAMS VARY AS FARM PROBLEMS CHANGE

"There has always been some sort of an agricultural policy in the United States, but the magnitude and diversity of the problems facing agriculture in recent years have brought about the development of a more comprehensive policy than in any previous period in our history.

"... Looking back on our farm policy from the beginning down to the period at the close of the World War, we can see now that as new needs arose, the policy was changed to meet them. For many years, when we needed all the produce farmers could raise, all the emphasis was on production... Then came a different kind of period... Attention centered more and more upon the bringing about of more stability in agricultural production. In the beginning this work was educational. Next came the effort to improve the situation through improving the marketing machinery and pegging prices. This was the period when we had the Farm Board. Some good was done and a great deal learned through these operations, but finally with the constantly shrinking export outlets, supplies piled higher and higher each year until we were faced with the excessive supplies of 1932 and 1933. It was at this time that the plan embodied in the present farm program was developed." -- *J. B. Hutson, Assistant Administrator, AAA, at Northeast Regional Conference, New York.*

EDUCATIONAL PROGRAMS PLANNED IN ALL NORTHEAST STATES

Every State in the Northeast Region is planning and carrying out a thorough-going educational program. Each State either has held or will hold in January one or more two-day conferences of county committeemen. New York is going a step farther and making it possible for community committeemen also to attend these conferences. It will hold seven meetings, in order that the distances to be traveled will not be prohibitive.

The programs of these meetings include an explanation and discussion of the broad National program, the agricultural situation which called for it, and the problems which it is designed to meet, its progress and success to date, and the plans for the future. A part of the time at each conference is given to planning how the committees in the various counties will do their work, particularly the educational part, during the coming year.

Word comes from New Hampshire that each State and county committeeman who attended the New York conference is preparing a five-minute radio talk on a separate feature of the National farm program; Maine committees report that they have scheduled a few county farmer-businessmen meetings to test this method of obtaining a better understanding of the farm program; and Pennsylvania becomes the first State in the Northeast (and 13th in the United States) in which a woman is employed to work with both urban and rural women's groups within one state on various phases of the farm program.